

Bridging the Divide: A Policy Brief Addressing Gender Inequality in the Philippine Workforce

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ABSTRACT

This policy brief addresses the persistent issues of gender wage inequality and underrepresentation of women in leadership within the Philippines, despite existing legislative frameworks and a strong gender equality ranking. It synthesizes current literature and case studies to analyze collective pay disparities, the influence of personal life choices on career trajectories, and the impact of gendered payment systems. Findings reveal that while individual pay gaps might seem minor, aggregate data demonstrate a significant bias favoring men, and parenting responsibilities often impede women's career advancement and research productivity. Furthermore, societal biases and the "glass ceiling effect" continue to obstruct women's progress to leadership roles. Conversely, analyses of local companies on Bloomberg's Gender Equality Index (GEI) show a positive correlation between GEI inclusion and improved financial performance and stock trends, indicating that robust diversity practices enhance investor confidence and operational outcomes. Based on these insights, the brief proposes a comprehensive policy framework. This framework advocates for mandatory wage audits, expanded work-life balance support, gender-inclusive leadership development, and cultural change initiatives to foster equitable workplaces and drive sustainable economic growth by fully leveraging women's professional contributions.

Keywords: Gender inequality, Wage gap, Women leadership, Work-life balance, Glass ceiling

INTRODUCTION

Gender wage inequality remains a pervasive global issue, with developed nations consistently observing a disparity where women professionals earn less than men for equivalent roles (Pew Center Research, 2023). This enduring challenge underscores the critical need for initiatives like Gender and Development advocacy, which aims to foster societies where merit, rather than gender, dictates recognition and reward.

The contemporary workforce has witnessed a notable shift, increasingly embracing women professionals and moving away from traditional perceptions that confined women to household duties. This evolution in family structures has, however, introduced new dilemmas regarding economic and emotional needs. In response, organizations and governments, such as the International Labor Organization (2021), have proactively implemented policies offering monetary benefits and supportive mechanisms for working women. Despite these advancements and the Philippines' relatively high gender equality ranking, research by Yap and Melchor (2015) highlights that while individual pay disparities may seem minor due to legal safeguards, aggregate data reveals a distinct, collective disparity favoring men. This finding mirrors global literature, indicating that income disparities persist despite gender equality advancements, particularly affecting women in lower socioeconomic strata of the Philippine labor market.

A discernible pattern suggests that women professionals in leadership roles are often single or without children, implying a correlation between leadership aspirations and personal life choices. Dapiton, Quiambao, and Canlas (2020) found that for Filipino women in academia, parenting responsibilities significantly influence their research productivity and work-life balance. This suggests that societal perceptions of women's roles within the family profoundly impact their choices and priorities, leading to a higher proportion of single or childless women in leadership. Interestingly, Burke, Divinagracia, and Mamo (1999) reported that personal and situational characteristics like age, marital status, and number of children were unrelated to women professionals' life satisfaction; instead, work experiences and outcomes were the most significant predictors.

The persistent gender-pay gap and underrepresentation of women in leadership positions present substantial challenges in modern workplaces. Despite ongoing efforts to promote gender equality, women continue to encounter barriers hindering their career progression and overall life satisfaction. This study aims to delve into the collective pay disparity, the influence of personal life choices on women's career advancement, and the impact of gendered payment systems on their career trajectories.

LITERATURE REVIEW

Trends on Gender Gaps

Studies utilizing decomposition methods, such as those by Cochada et al. (year not specified in text, but cited as 2018 in "Critical Analyses" section), reveal persistent gender differentials in the Philippine labor market despite existing gender equality policies. These studies indicate lower labor force participation and a persistent gender pay gap for women. Furthermore, women continue to receive lower returns on observable characteristics compared to men, raising questions about the effectiveness of current gender policies in closing the pay gap. While the unadjusted gender pay gap showed a declining trend from 2002 to 2018, it still exists. Similarly, the labor force participation gap has decreased but remains significant, and while the employment rate gap between men and women has narrowed, a small disparity persists.

Women Professional Leaders' Perception of the Glass Ceiling Effect

Lim and Hechanova (2012) explored the subtle and overt challenges faced by women in leadership roles in the Philippines. Their comparative analysis highlighted how gender influences perceptions of leadership, responsibilities, and career advancement among Filipino women professionals. A lingering bias favors masculine attributes and behaviors for perceived effective leadership. The assignment of key roles and responsibilities disproportionately to men, even when women professional managers are equally or more qualified, contributes to slower career progression for women in leadership. Women often face fewer barriers to advancement than men, despite formal equality in promotion processes. Exclusion from informal networks and limited mentorship opportunities create a significant gap for women's career advancement, contributing to the prevalent "glass ceiling" in the workplace.

Perceived Parenting Responsibilities as a Moderating Factor

The societal expectation that women should manage both household and professional roles without adequate support poses a significant barrier to achieving work-life balance and maintaining high levels of research productivity. Dapiton, Quiambao, and Canlas (2020) surveyed and interviewed 150 Filipino women in academia to comprehensively understand the influence of parenting responsibilities on their work-life balance and research productivity. The study identified parenting as a moderating factor for women professionals in academia, impacting their ability to balance professional obligations and family duties, ultimately affecting their research output. Women professionals with substantial parenting roles reported lower productivity compared to their counterparts with fewer or no parenting responsibilities. The study emphasized the need for institutional support to help those with greater parenting responsibilities manage their dual roles more effectively.

Case Study Analysis

Gender Diversity Management Practices in the Hotel Industry: An Analysis of the Philippine Hotel Industry

A study examining gender diversity management practices (DMPs) in 4-5 star hotels in Manila sought to understand employee perceptions of DMPs and their impact on nurturing gender equality. The findings indicate successful implementation of gender equality initiatives, with policies on equal opportunity employment ensuring both men and women receive equal chances in recruitment and hiring, critical for creating a balanced workforce. Women are also increasingly included in key decision-making, promoting gender-inclusive decision-making. Training and development programs are designed to be gender-inclusive, providing equal access to professional development opportunities, and career advancement paths are based on merit and performance.

However, despite policies, there remains room for improvement in achieving gender parity at the highest levels of management. A significant barrier identified is the divide between professional and familial roles. Limited access to flexible work arrangements and childcare benefits continues to hinder women's advancement. For women professionals, active participation in career development opportunities like trainings, workshops, and education programs is correlated with career progression and reaching leadership positions. Impediments such as societal expectations, work-life balance issues, and organizational culture can lead to slower progress for women compared to their male peers.

Women on Top: The Career Development Journey of Filipina Business Executives in the Philippines

Osi and Teng-Calleja (2021) investigated the career development journey of Filipino women who ascended to top leadership positions in male-dominated industries in the Philippines. Their research explored challenges, enablers, and personal characteristics contributing to their success. Beyond formal policies, an organizational culture of equal opportunity, ensuring equal access to recruitment, promotions, and leadership roles, was crucial. Companies with robust diversity initiatives were more likely to have women in leadership, breaking down barriers and providing necessary support.

Cultural and familial factors played a key role in shaping their leadership journeys. These women often grew up in environments that valued education and encouraged independence, fostering confidence and ambition. They demonstrated resilience and determination, leveraging skills, networks, and support systems to overcome obstacles. Their democratic and inclusive leadership approach helped them gain trust and respect, making them effective leaders. They actively engaged in challenging roles critical to organizational success, building capabilities and track records. Mentorship was vital, providing guidance and opening doors to new opportunities. Maintaining a healthy work-life balance was crucial for long-term career success and personal fulfillment.

Parenting as a Moderating Factor for Research Productivity and Work-Life Balance: Evidence from Philippine Women Academics

Parenting responsibilities significantly influence the work-life balance and research productivity of Filipino women academics in higher education institutions, where both teaching excellence and research output are emphasized. Key findings include parenting as a moderating factor, its impact on research productivity, and challenges in work-life balance. Women academics with substantial parenting responsibilities tend to achieve lower research productivity compared to their male counterparts or women without children. The demands of parenting, particularly in the Filipino culture where women are often expected to take on the majority of caregiving tasks, limit time and energy for academic pursuits. This pressure to balance familial roles with the rigorous demands of academic work, such as publications and scholarship grants, negatively affects scholarly output. These challenges underscore the need for innovative strategies from relevant organizations to foster workplace equity irrespective of gender.

Linking Bloomberg's Gender Equity Index to Company Performance and Stock Trends

An analysis of four Philippine companies included in Bloomberg's Gender Equality Index (GEI)—DMCI Holdings Inc., Semirara Mining and Power Corp., Robinsons Retail Holdings Inc., and Meralco—aimed to explore the link between GEI inclusion, company performance, and stock trends. The GEI assesses companies based on five areas: leadership and talent development, fair pay and gender equality in salaries, fostering an inclusive culture, implementing policies against sexual harassment, and promoting women through branding. Companies excelling in these aspects demonstrate a commitment to gender equality, which can significantly influence their performance and market perception.

The analysis examined the impact of GEI scores on company performance for these four entities, focusing on the connection between GEI scores (independent variable) and key financial indicators such as revenue, profit margin, return on equity (ROE), return on assets (ROA), and stock prices (dependent variables).

DMCI Holdings Inc.

- **Financial Performance:** Analysis revealed a strong link between GEI inclusion and increased revenue, with a coefficient of 22.84 and an R-squared value of 0.86, suggesting a significant boost in revenue. Indicators like profit margin, ROE, and ROA also showed significant positive associations, with R-squared values ranging from 0.77 to 0.90.
- **Market Value:** Stock price similarly correlated with GEI inclusion (R-squared = 0.86), indicating a positive market response to DMCI's dedication to gender equality.

Semirara Mining and Power Corp.

- **Financial Performance:** A moderate relationship was observed between GEI inclusion and revenue, with a coefficient of 10.82 and an R-squared value of 0.66. Metrics like profit margin, ROE, and ROA also indicated positive correlations, with R-squared values ranging from approximately 0.68 to 0.71.
- **Market Value:** The connection between GEI inclusion and stock price showed a correlation with an R-squared value of 0.69, suggesting that GEI inclusion may enhance investor confidence and stock performance.

Robinsons Retail Holdings Inc. (RRHI)

- A correlation between GEI inclusion and revenue was indicated by a coefficient of 32.62 and an R-squared value of 0.78, pointing to an impact of gender equality on the company's revenue growth. The relationship between GEI inclusion and profitability metrics like profit margin, ROE, and ROA was noteworthy, with R-squared values ranging from 0.75 to 0.85.
- Regarding stock prices, RRHI's market performance benefited from its inclusion in the GEI, as evidenced by a relationship with an R-squared value of 0.70.

Manila Electric Co. (Meralco)

- A relationship between GEI inclusion and revenue was observed, with a coefficient of 22.84 and an R-squared value of 0.86. Similarly, profitability metrics such as profit margin, ROE, and ROA exhibited positive correlations ranging from 0.78 to 0.90.
- The stock price demonstrated a relationship with the inclusion of gender equality initiatives, with an R-squared value of 0.86, underscoring the influence of efforts toward gender equality on investor trust and stock performance.

The consistent positive correlation between GEI inclusion and stock prices across all four companies indicates that gender equality initiatives acknowledged by the GEI are associated with stronger stock market performance.

Several factors contribute to this connection:

1. **Investor Confidence:** GEI inclusion enhances a company's reputation for corporate social responsibility (CSR) and governance, attracting ESG-focused investors who prioritize companies with strong gender equality practices. This increased demand for the company's stock can lead to an increase in its price.
2. **Operational Performance:** Companies prioritizing gender equality often benefit from a more productive workforce, leading to improved financial performance. This enhanced performance is reflected in metrics such as revenue growth and profitability, ultimately positively impacting stock prices.
3. **Risk Mitigation:** Robust gender equality policies help reduce the risk of issues related to discrimination and harassment. This risk mitigation can lead to stable earnings and decreased stock price volatility, making the company more appealing to investors.
4. **Positive Market Sentiment:** Companies included in the GEI are perceived as forward-thinking and well-managed, fostering positive market sentiment. This sentiment can translate into higher stock valuations as investors recognize the long-term potential of companies dedicated to gender equality.

Analysis of DMCI Holdings Inc., Semirara Mining and Power Corp., Robinsons Retail Holdings Inc., and Meralco clearly demonstrates a correlation between GEI inclusion and important financial measures and stock prices. This indicates that companies recognized for their dedication to gender equality not only see improvements in their performance but also gain increased trust from investors and achieve better market results. These findings underscore that gender equality is not merely a social imperative but also a strategic advantage for businesses, leading to financial success and boosting shareholder value. Therefore, being part of Bloomberg's Gender Equality Index goes beyond recognition—it signifies a company's potential for growth and profitability in a competitive business environment.

POLICY RECOMMENDATION

Comprehensive Gender Equality and Advancement Framework

1. **Equal Pay for Equal Work:** To eliminate gender wage disparities by ensuring that women receive equal pay for equal work across all sectors.
 - **Wage Audits:** Conduct mandatory annual wage audits across organizations to identify and rectify gender pay gaps. These audits should be publicly reported to ensure transparency.
 - **Standardized Pay Scales:** Implement standardized pay scales that are strictly based on role, experience, and qualifications, rather than subjective criteria that may perpetuate gender biases. This recommendation addresses the need for more effective implementation of gender equality policies to close existing gaps.
2. **Promotion of Work-Life Balance and Support for Parenting Responsibilities:** To support women in balancing professional responsibilities with parenting duties, thereby enhancing their career progression and productivity.
 - **Flexible Work Arrangements:** Mandate flexible work arrangements, such as telecommuting and flexible hours, for employees with parenting responsibilities. Ensure these policies are gender-neutral and accessible to both men and women.
 - **Childcare Support:** Provide subsidized childcare services and establish on-site childcare facilities in workplaces, particularly in industries with high female employment.
 - **Parental Leave:** Expand paid parental leave for both mothers and fathers to promote shared caregiving responsibilities, reducing the burden on women. This recommendation addresses how parenting responsibilities significantly impact the work-life balance and productivity of women professionals.

3. **Gender-Inclusive Leadership Development Programs:** To increase the representation of women in leadership positions by providing targeted development opportunities.
 - **Leadership Training:** Develop and implement leadership training programs specifically designed to address the unique challenges faced by women in leadership roles. Focus on building confidence, negotiation skills, and strategic decision-making.
 - **Mentorship Programs:** Establish formal mentorship programs that pair emerging female leaders with experienced mentors, both male and female, who can provide guidance and support.
 - **Succession Planning:** Ensure that succession planning processes are gender-inclusive, with clear targets for increasing female representation in leadership roles over time. These initiatives are designed to overcome the barriers women face, such as exclusion from informal networks and fewer mentorship opportunities, which contribute to slower career progression.
4. **Organizational Culture and Bias Training:** To cultivate an organizational culture that promotes gender equality and actively combats gender biases.
 - **Bias Training:** Introduce mandatory unconscious bias training for all employees, with a focus on recognizing and mitigating gender biases in decision-making, recruitment, and promotion processes.
 - **Inclusive Policies:** Review and revise company policies to ensure they are inclusive and do not perpetuate gender stereotypes. This includes policies on recruitment, promotion, and performance evaluation.
 - **Cultural Change Campaigns:** Launch internal campaigns that promote gender equality and challenge traditional gender roles, encouraging all employees to participate actively in creating an inclusive workplace. These cultural initiatives aim to shift the entrenched norms that traditional gender roles and biases continue to influence women's career paths, particularly in male-dominated industries.
5. **Gender Equality Index (GEI) Participation and Performance Monitoring:** To enhance the accountability of organizations in promoting gender equality by participating in recognized gender equality indices.
 - **GEI Participation:** Encourage organizations to participate in indices like Bloomberg's Gender Equality Index (GEI) as a benchmark for their gender equality practices. Provide incentives, such as tax breaks or public recognition, for companies that achieve high scores.
 - **Performance Monitoring:** Establish a monitoring framework that tracks the progress of gender equality initiatives within organizations, linking performance to financial incentives or penalties based on compliance and outcomes. Encouraging GEI participation aligns with the evidence that gender equality initiatives can drive business success.

Proposed Innovative Solutions

1. **Tiered Implementation of Wage Audits:** To address potential implementation challenges of wage audits, a tiered approach could be introduced. This would involve providing financial and technical support to smaller companies to help them conduct these audits. Additionally, creating a centralized platform for reporting and analyzing wage data could streamline the process and reduce the administrative burden on individual organizations.
2. **Incorporating Intersectionality in Policy Design:** The framework should be expanded to explicitly address the intersectionality of gender with other social identities. This could include targeted support for women from marginalized communities, such as mentorship programs that pair women of minority groups with successful leaders from similar backgrounds, or scholarships and career development opportunities for women from low-income families.

3. **Sustained Cultural Change Initiatives:** Rather than relying solely on one-off bias training sessions, organizations should implement sustained cultural change initiatives that are integrated into daily operations. This could include regular workshops, discussion groups, and leadership accountability measures. Additionally, linking progress on cultural change to performance reviews and promotions for leaders could ensure that these initiatives are taken seriously.
4. **Mandatory Participation in Gender Equality Indices for Publicly Traded Companies:** To increase the impact of the GEI, participation should be made mandatory for all publicly traded companies. This would create a level playing field and ensure that all companies are held to the same standards of gender equality. For private companies, incentives such as tax breaks or public recognition could be used to encourage participation.
5. **Sector-Specific Policies for Male-Dominated Industries:** Tailor leadership development programs and cultural change initiatives to the specific needs of women in male-dominated industries. This could include industry-specific mentorship programs, targeted recruitment efforts to increase the number of women in these sectors, and partnerships with industry leaders to promote gender equality as a core value.

While policy frameworks provide the necessary structure, real change hinges on continuous innovation and a collective commitment to evolving societal norms. The suggested solutions are designed to foster this deeper cultural transformation, ensuring that the Philippines not only addresses current disparities but proactively builds a future where gender equality is intrinsically woven into the fabric of every organization, empowering women to thrive and contribute their full capabilities to national development.

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